DOCUMENT RESUME

ED 221 662 CE 032 962

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TITLE School Store Operation and Control.
INSTITUTION Texas Univ., Austin. Center for Occupational Curriculum Development.
PUB DATE 81
NOTE 79p.
AVAILABLE FROM Center for Occupational Curriculum Development, The University of Texas at Austin, P.O. Box 7218, Austin, TX 78712 (Stock No. 179-C, $6.00).

EDRS PRICE MF01 Plus Postage. PC Not Available from EDRS.
DESCRIPTORS *Business Administration; *Distributive Education; Entrepreneurship; *Experiential Learning; *Managerial Occupations; *Marketing; Recordkeeping; Secondary Education
IDENTIFIERS *School Stores; *Store Managers

ABSTRACT

Written to assist the teacher-sponsor responsible for operating a school store, this book offers a system developed specifically for the operation and control of such a store. It also shows ways in which a school store can be used for training students. Chapter 1 discusses a successful school store operated by students and a store record system that teaches marketing and distributive education students store management. Chapter 2 describes forms and procedures that are used daily to gather information needed to operate a school store successfully. These forms include a time sheet, void slip, want slip, cash paid-out ticket, credit sales ticket, and layaway ticket. Chapter 3 explains a system for recording and analyzing information to use for planning and management decisions. Forms are described that are concerned with sales, purchases, expenses, inventories, and financial standing of the store. Blank forms are provided for copying or adaptation for a specific store's needs. (YLB)

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School Store Operation & Control

By Bill J. Barger

OCD

Published by Center for Occupational Curriculum Development • Continuing Education • The University of Texas at Austin

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Printed in the United States of America

Reorder by Stock Number 179 C

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Introduction

This book was written to assist the teacher-sponsor who has become responsible for operating a school store. It offers a system developed specifically for the operation and control of such a store. It also shows ways in which a school store can be used for training students.

When the writer of this book found that school store operation was part of his responsibility, he also discovered that there was little in the way of written policies or set procedures to offer guidance. Fortunately, the writer, Bill J. Barger, could draw on management experience with a national retail organization, plus graduate study at the University of Tennessee.

Additional help in developing an operational and control system came from retail businesspersons representing large department stores, small specialty shops, and college bookstores. Other assistance came from professional accountants and marketing and distributive education teacher-coordinators. The latter had operated school stores as components of their curricula.

All of the businesspersons and professionals stressed the importance of a comprehensive records system in retail store operation. For the most part they used the same type of information, with the only differences coming from how they collected information.

The businesspersons also agreed that their store recordkeeping differed from that in a formal accounting course. The majority of the retail businesspersons used a single-entry bookkeeping system. Their systems had been developed on a "need" basis, and served their purposes.

JACK E. ROBERTSON, Ph.D.
Director, Center for Occupational
Curriculum Development

Chapter I
The School Store and M&DE Programs

An M&DE sponsor of a school store has two basic responsibilities. One is to operate a successful school store. But second, and just as important, is to use the store to provide valuable experience and instruction for students. This book is addressed to both needs.

It's obvious that a store offers a chance to work directly with customers. Less obvious, and just as important, is the fact that a school store gives students a chance to learn management techniques. A teacher who lets students participate in the management and control of a school store will give them learning experiences they might otherwise have to wait years to obtain.

Student operation of a school store can probably best be accomplished by placing students in staff and management positions similar to those found in a regular retail business. By the use of job assignments such as manager, assistant manager, personnel manager, bookkeeper, advertising manager, stock manager, and sales staff, the complete operation of the store can be placed in the hands of the students. To achieve maximum learning, the staff assignments should be rotated throughout the school year. In this manner the records system presented in this manual can be utilized most effectively.

Students can also be given experience that helps develop good work habits and an understanding of store routine. For that purpose, it would be useful to develop a written set of policies or procedures for personnel, such as those used in most businesses. These might cover cash register operation, work schedules, break and lunch schedules, employee discount policies, and many other topics. Because these procedures will vary considerably from store to store they will not be covered here.

On the management side, students can learn much from using store records—the chief tools of store management. The value of these records and their effect on a business must be stressed. Studies have shown that many business failures happened because business owners did not have records that could have warned of a problem developing while there was still time to take action.

A store record system can do several things.

1. The main objective of such a system is to provide answers and information that management needs to make intelligent decisions.

2. Records can also make it possible to be certain that the business has received what was ordered, and that the quantities and qualities of merchandise are right for future buying and promotional efforts.

3. Expense records make it possible to classify and analyze expenses, and find where they can be reduced.

4. Finally, financial statements give the business owner a comprehensive picture of the financial status of the business.

The record system that follows was designed to meet all four of the above needs for a school store. By using this system you and your students can answer many of the questions which are so important in a retail business.

Here is a list of such questions.

1. How much business (cash and credit) is being done?
2. How much is tied up in accounts receivable?
3. What are losses from credit sales?
4. How much cash is on hand and in the bank?
5. Does the amount of cash agree with what records show should be on hand, or is there a shortage?
6. How much merchandise has been purchased?
7. What is the total investment in merchandise?
8. How much has been paid in transportation costs?
9. How much merchandise has been taken from the business for personal use?
10. How much is owed to suppliers and creditors?
11. How much was taken in markdowns?
12. How much gross profit was earned?
13. What is the total capital of the firm?

14. Are sales, expenses, and profits improving over last year, and by how much?
15. On what lines of merchandise is a profit being made—or is the store losing money, or breaking even?
16. Is full advantage being taken of cash discounts?
17. How do the financial facts of this business compare with those of similar businesses?

Even though some of these questions do not directly fit school store operation, it is important for the store to reflect the conditions and procedures under which the average business operates. Certain operational and control techniques need to be used for realistic training.

Many of the answers, and records that make them possible, are needed for proper school store operation. It is not nearly enough to look at a final bank balance at the end of the school year to determine if a profit has been made. This approach would not be acceptable to a store auditor. Also, records need to be much more current and complete if they are to help in making decisions.

This manual covers all factors involved in the normal operation and control of a small retail business. Some adjustments were made so procedures would more closely meet school store needs. These are based on two special factors in the operation of such a store.

First, most school stores operate on a low markup-low profit basis. They place more emphasis on training and service than on earnings. The primary purpose of the store is to provide a laboratory in which classroom theories can be tested by students. By working in and managing the store the students learn about selling, stocking merchandise, bookkeeping, stock control, buying, and display. This is not to say that a store attempts only to "break even." In many school systems a percentage of the store profits goes directly into the general school account to help cover some of the operating expenses. Therefore, many school administrators do not hesitate to allow a store to operate on a twenty or thirty percent profit.

Another difficulty which is encountered is the lack of operating capital provided the school store. Usually at the end of the school year the profit from sales is divided between the school and the sponsoring department. If this is the normal procedure, then no capital remains in the store account to carry over to the next school year to purchase opening stocks. Therefore, arrangements must be made with the school to pay the monthly bills until sufficient sales are realized, or with the suppliers to delay billings or accept partial payment until the store is again operating profitably. The ideal situation allows the store to maintain a surplus account, perhaps in the amount of $500, which can be carried over from one school year to the next.

These problems, and others common to the school store, are not so great that they cannot be overcome with some thought and foresight on the part of the teacher-sponsor.

Chapter II
Operating Records for the School Store

Any business, including a school store, must have some standard procedures and records with which day-to-day operations are accomplished. Certain routine record-keeping tasks, such as recording time worked and making sales tickets, must be done in a standardized manner to ensure accuracy and completeness as well as to achieve customer satisfaction.

The forms and procedures described in this book offer assistance to the teacher-sponsor in the matter of store operation. The records presented are so complete that a teacher-sponsor can maintain efficient operation of the store, and at the same time provide a practical learning experience for students who staff and help manage the store. Various forms are presented, along with examples showing how they are completed so that the reader can more easily see how they are used in the store.

Time Sheet

In all retail businesses it is necessary to maintain a record of the time worked by employees of the business. Not only is this record required by law, it is used in preparing the employees' payroll. It is necessary that the student learn the importance of recording time worked in any business. For this reason, the *Time Sheet*, Figure 1, was developed for use in the school store.

In addition to recording time worked, store management can determine employee sales performance by using the "sales" and "sales per hour" columns. An individual's sales can be determined either by checking the clerk key totals or by having the bookkeeper total sales for each key from the cash register detail tape. A comparison of sales performance can be made by reducing the "sales" column to "sales-per-hour" for each student. This form, when completed, should be placed in a file for further reference by the teacher-sponsor.

TIME SHEET

Date Nov. 2, 1984 Approved by Bill Adams

KEY NO.	NAME	TIME IN	TIME OUT	HOURS WORKED	SALES	SALES PER HOUR
0	Chad Brown	11:00	12:00	1	26.49	26.49
8	Amy Smith	12:00	1:00	1	56.21	56.21

Form ST-1

Figure 1. Time Sheet

Void Slip

Regardless of how well trained and careful the student-learners are, they will make some errors in their operation of the cash register. Left uncorrected, these errors will result in either a cash shortage or an overage when the register is checked out daily. The *Void Slip,* Figure 2, will provide the necessary correction of cash register mistakes. This form is filled out immediately after the error by the person making the mistake. The incorrect amount is voided and the correct amount is entered on the register. At the end of the business day the voided amount is subtracted from the register reading, thus correcting the error on the detail tape. One safeguard in the use of this form is that it must be approved and signed by another student working in the store at the time the error occurs.

VOID SLIP

Name Amy Smith

Date Nov. 2 198 4

Amount to be voided $ .45

Re-enter correct amount $ .55

Reason for void Hit wrong key

Approved by Bill Adams

(Place in cash register drawer)

Form ST-2

Figure 2. Void Slip

Want Slip

In order to accomplish the goal of having an optimum stock level in the store, store management must keep a close contact with merchandise stocks and sales. Figure 3 illustrates a *Want Slip* which will aid greatly in this goal. This form is completed by the individual sales person who is in daily contact with customers. The *Want Slip* forms should be reviewed periodically so that management can decide if an item should be added to the store's line of merchandise or if an item needs to be reordered.

WANT SLIP

Name Chad Brown Date Nov. 2 198 4

Today I had calls for the following items which are not in stock:

Item	Color	Size	Price	No. of Calls
Jackets	Red		38.00	𝍸

Items low in stock:

40¢ Paper				

Suggestions or comments Students want jackets with school emblems.

Form ST-3

Figure 3. Want Slip

Cash Paid-Out Ticket

One of the constant headaches of a store bookkeeper is the daily balancing of the cash register detail tape and the money brought in from sales. Theoretically, no discrepancy should appear from this daily checkout. In reality, however, mistakes, carelessness, and occasional employee theft result in a cash drawer shortage being more common than it should be. For this reason a close check must be maintained of cash paid out of the register drawer. Figure 4 illustrates the *Cash Paid-Out Ticket* which records money paid-out for refunds or cash purchases. The form must be approved by management personnel to restrict its use and provide for more control. The paid-out amount is then used on the *Register Check-Out Form.*

CASH PAID-OUT TICKET

Sales Clerk Darlene Jones Date Nov. 2 1984

☑ Refund ☐ Cash Purchase

☐ Other (Specify)

Units	Merchandise	Unit Price	Total	
1	Notebook	2.50	2	50
		Total Paid Out	2	50

Customer's Signature Roger Davis

Approved By Bill Adams

Form ST-4

Figure 4. Cash Paid-Out Ticket

Credit Sales Ticket

While is is highly unlikely that a school store can successfully offer credit to the general student population, it is possible that many of the school staff would appreciate the convenience of having their own charge account in the store.

For a charge account system to work successfully, some method must be provided to record credit sales. The *Credit Sales Ticket,* shown in Figure 5, will accomplish the task of recording such sales. The ticket should be made in duplicate so that the customer will have a receipt of the sale.

An effective way of handling credit sales in the store is to keep the credit ticket in the cash register drawer until it is paid and then record the sale on the register. This will eliminate the need for a more complicated bookkeeping and billing system.

CREDIT SALE TICKET

Purchased by Charles Johnson

Sold by Amy Smith Date Nov. 2 1984

Quantity	Merchandise	Unit Price	Total	
1	legal pad	1.50	1	50
2	pens	.49		98
		Total Purchase	2	48
		Paid Down		
		Balance Due	2	48

Customer's Signature Charles Johnson

Form ST-5

Figure 5. Credit Sale Ticket

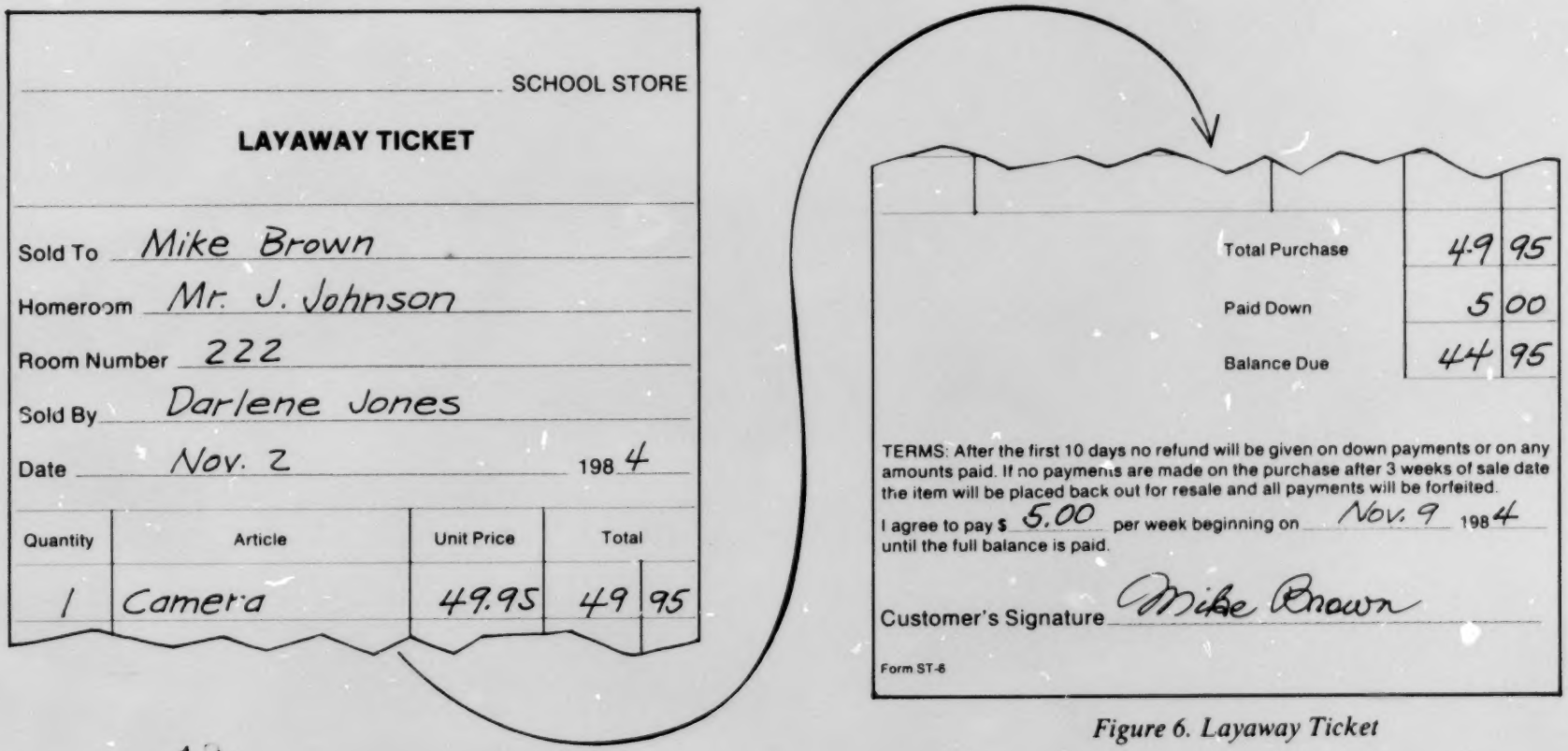
Layaway Ticket

Because a credit plan will probably not be offered to students, a layaway plan can be a way in which students can make purchases by paying for them over a period of time. A layaway system will also provide more experience for the student-learners in addition to increasing sales.

The *Layaway Ticket* shown in Figure 6 has been adapted for use in the school store. The form should be made in triplicate with one copy going to the customer, one placed on the merchandise in layaway, and the third copy being placed in a layaway file. The back side of this third copy can be used to record payments made on the layaway purchase. This is a simple way to account for layaway payments which otherwise would require a more complete bookkeeping system. The terms of the layaway agreement may seem strict, but they are similar to many forms used by businesses. Also, it is left to the discretion of store management as to how closely they are enforced.

Miscellaneous Operating Forms

Most of the forms which would be required to operate the average school store have been mentioned. Perhaps some of the forms discussed would not be used in all stores because of size or the manner in which the store is operated. Also, there will always be forms and procedures which the individual will develop to apply to a particular situation.



SCHOOL STORE

LAYAWAY TICKET

Sold To Mike Brown

Homeroom Mr. J. Johnson

Room Number 222

Sold By Darlene Jones

Date Nov. 2 198 4

Quantity	Article	Unit Price	Total	
1	Camera	49.95	49	95

Total Purchase	49	95
Paid Down	5	00
Balance Due	44	95

TERMS: After the first 10 days no refund will be given on down payments or on any amounts paid. If no payments are made on the purchase after 3 weeks of sale date the item will be placed back out for resale and all payments will be forfeited.

I agree to pay $ 5.00 per week beginning on Nov. 9 198 4 until the full balance is paid.

Customer's Signature Mike Brown

Form ST-6

Figure 6. Layaway Ticket

Chapter III The Control Function in a School Store

The collection and analysis of information needed for management decisions is usually accomplished systematically. Most managers have some way of recording facts on sales, purchases, expenses, and payroll. Too many managers, however, stop with the recording of facts, and make no attempt to analyze them to obtain their full value. This is also a common happening in school stores.

What follows is an explanation of a system for recording and analyzing information that is designed to help the teacher-sponsor to manage and to instruct students.

The essential records are concerned with sales, purchases, expenses, inventories, and financial standing of the store.

Register Check-Out Form

One of the most important facts which the retailer uses is the business sales figure. Many other records depend entirely on the sales figure, so it must be recorded correctly. Sales should be determined daily. Discrepancies can then be investigated while salespersons still remember the transactions.

With a cash register, daily recording is no problem. To determine the amount of sales entered on the cash register, the manager uses a special key that allows the register to total and read all entries which have been recorded. Usually this same key will allow the register to be cleared—removing all entries made during the day. The register should be read and cleared each day.

By using the *Register Check-Out Form,* Figure 7, an accurate picture of sales can be obtained daily. This form also takes into account any cash paid-out, voids, and refunds which have already been mentioned. Differences between cash on hand and the cash register reading can be recorded, whether there is a shortage or an overage. The *Register Check-Out Form,* along with the cash register detail tape, should be filed daily so that a proof of cash received is on hand for a store audit.

REGISTER CHECK-OUT FORM

Name Chad Brown Date Oct. 5 1984

Currency	$ 54	00
Check	10	00
Halfs	1	50
Quarters	3	25
Dimes	1	20
Nickels	2	05
Pennies		35
Total	$ 72	35
Less: Change Fund	25	00
Total	47	35
Add: Cash Paid Out	1	50
Net Sales	$ 48	85

(For Bookkeeper's Use Only)

Register Reading	$ 50	95
Less: Refunds	1	50
Total	49	45
Less: Voids		45
Correct Register Reading	$ 49	00
Net Sales	$ 48	85
Shortage	$	15
Overage	$	

Difference checked by Bill Adams

Form ST-7

Figure 7. Register Check-Out Form

Record of Sales

Examination of the bottom portion of the *Register Check-Out Form* shows the line "Correct Register Reading." This amount is recorded as store sales. Since the cash register is used to record sales as they occur, the correct register reading, taking into account voids and refunds, is the correct store sales for the day.

Once the correct sales figure for the day has been determined it should be recorded so that management can determine at any time the "sales picture" for the store. It is customary in most retail stores to maintain a record of last year's sales so that a direct comparison can be made to determine if sales are increasing or decreasing.

The *Record of Sales*, Figure 8, is a convenient form for maintaining a continuous record of store sales. In addition, the form provides for recording any cash shortage or overage which results from the cash register check-out. For the convenience of management a column is provided for accumulating store sales for the month and for the year. At year's end the total sales and total shortage or overage will be recorded on the store's income statement.

RECORD OF SALES

October 1984
MONTH

Date	+	—	This Year Daily	Accumulative	Last Year Daily	Accumulative
1		.25	63.50	63.50	56.40	56.40
2			59.15	122.65	84.15	140.55
3			55.80	178.45	104.20	244.75
4	.20		32.10	210.55	46.50	291.25
5		.15	49.00	259.55	59.25	350.50
8			54.65	314.20	50.60	401.10
9	.15		51.20	365.40	42.30	443.40
10		.05	47.40	412.80	34.60	478.00
11			30.05	442.85	40.90	518.90
12			28.50	471.35	47.80	
15	.10		44.90	516.25	29.40	596.10
29	.50		45.35	1081.50	39.40	992.85
30			51.60	1133.10	46.20	1039.05
31		.15	49.30	1182.40	34.15	1073.20
	1.15	1.95				
Month's Total		.80	1182.40	1182.40	1073.20	1073.20
Balance Brought Forward			1386.10		1150.80	
Total for Year			2568.50		2224.00	

Form ST-8

Figure 8. Record of Sales

Record of Purchases

All retail stores must purchase merchandise. The process of purchasing for resale must be carefully controlled if the retailer is to do a successful job of merchandising. The control which should be exercised over purchases in the school store can be effectively accomplished by the use of the *Record of Purchases,* an example of which is shown in Figure 9.

The major characteristic to be observed about the *Record of Purchases* is that all purchases must be computed at both cost and retail value. Most managers would normally record purchases at cost since this is the money they pay out for purchases. However, many do not realize that extending the total to retail is equally important. "Extending" means that the retail value of each item is calculated and

RECORD OF PURCHASES

MONTH October 1984

Date	Vendor	Trans. Charges	Cash Discount Taken	Cost	Retail	M. U.%	Total to Date Cost		Total to Date Retail	
1	Office Supply Co.		2.55	380.00	546.50	.30	380	00	546	50
4	Times - News			3.78	5.40	.30	383	78	551	90
8	ABC School Supplies			789.26	12.14.25	.35	1173	04	1766	15
9	Engineering Supply Co.	1.50		36.16	58.60	.40	1209	20	1824	75
12	Smith Publishing Co.			76.38	114.00	.33	1285	58	1938	75
12	Times- News			3.43	4.90	.30	1289	01	1943	65
19	Times- News			3.50	5.00	.30	1292	51	1948	65
26	Times- News			3.78	5.40	.30	1296	29	1954	05
30	National Paper Supply			1459.97	2246.10	.35	2756	26	4200	15
Total for Month		1.50	2.55	2756.26	4200.15	.34	2756	26	4200	15
Balance Forwarded		15.20	27.15	1290.76	1985.78	.34	1290	76	1985	78
Total to Date		16.70	29.40	4047.02	6185.93	.34	4047	02	6185	93

Form ST-9

Figure 9. Record of Purchases

recorded also. This computation can be the basis of a perpetual (or book) inventory system which is extremely valuable in stock control. The book inventory is essential in the case of fire or theft loss, and is usually accepted by insurance companies in determining payment for such losses. Without such information there is no way to determine the exact amount of loss.

The following example shows how the *Record of Purchases* and the *Record of Sales* would be used to find dollar loss from a store break-in, or from a fire. The data used is *not* from the figures shown on the sample forms.

A break-in of the store has resulted in an undetermined loss of merchandise. A physical inventory shows merchandise on hand valued at $1,950.00. To calculate the loss the following procedure should be used to determine the amount of merchandise that should be in the store.

Opening Inventory (September 1 at Retail)		$ 550.00
Purchases (Retail Value)		+ 3250.00
Total Merchandise for Sale (Retail Value)		$3800.00
Sales to Present	$2425.00	
Markup Percentage	30%	
Dollar Markup on Sales	727.5000	
Sales to Present	$2425.00	
Dollar Markup on Sales	- 727.50	
Cost of Merchandise Sold	$1697.50	- 1697.50
Book Inventory Value (Retail Value)		$2102.50
Physical Inventory Value (Retail Value)		-1950.00
Loss to theft (Retail Value)		$ 152.50

The above technique enables management to determine the *retail* value of a merchandise loss resulting from a burglary. The actual loss to the business, however, would be the cost value of the loss rather than retail value. Therefore, the $152.50 would have to be valued at cost by again using the markup percentage. Further computation would show that the actual loss to the business would be recorded as $106.75.

The *Record of Purchases* also provides the information to determine if a merchandise shortage exists after a certain period of operation. Because shortages have a direct bearing on store profits, they should be determined as accurately as possible. The following example shows how to calculate a merchandise shortage. (Again, data is *not* from the figures.)

Opening Inventory (Retail Value)	$ 500.00
Purchases (Retail Value)	+ 6500.00
Total Merchandise for Sale	$7000.00
Net Sales	- 6250.00
Book Inventory (Retail Value)	$ 750.00
Markdowns Taken (Retail Value)	- 50.00
Net Book Inventory (Retail Value)	$ 700.00
Physical Inventory (Retail Value)	- 675.00
Merchandise Shortage (Retail Value)	$ 25.00

While the retail value of the merchandise shortage was $25.00, only the cost value (as in the previous example) could be considered as the actual loss to the business. The merchandise shortage in this example would be entered on the income statement along with any cash shortage the business experienced.

The primary reason for computing invoices at both cost and retail value is so the markup percentage on merchandise can be determined monthly and accumulated for the year. The markup percentage is required not only for the previously mentioned situations, but also for calculating book profits for the business. Determining book profits is accomplished by computing the book inventory and substituting the inventory figure for an actual physical inventory on the income statement.

The average markup percentage for the year will be required later in the year to reduce the physical inventory, which is taken at retail prices, to cost value in order to determine net profit for the year's operation. The exact use of the markup percentage in this respect will be discussed in a later section.

After each invoice has been valued both at cost and retail, it should be placed in a monthly invoice file which is maintained for the year. This provides an orderly place for all invoices and statements and makes monthly bill paying more organized. The invoice file should be maintained for three or four years to allow management to check prices on old merchandise or find information about suppliers.

Record of Disbursements

The manager of a business needs to know at all times the financial standing and bank account balance of the firm. The school store manager will certainly need to know at all times how much money the store has available to spend. The *Record of Disbursements,* shown in Figure 10, will provide this information. It serves as a combination check register and check balance record by recording payments on account, remaining balance, and store deposits. Each time a payment on an account is made the invoice amount is entered in the correct column. The amount paid on the account, and the remaining balance, if any, are also entered. The amount paid reduces the bank balance and the new balance is computed and entered in the current bank balance column. Likewise, any deposit made by the store in the school bank or with the school treasurer is recorded and added to the current bank balance. The *Record of Disbursements* provides a simple method of controlling account payments and the bank balance.

RECORD OF DISBURSEMENTS

Date	Paid To	Invoice Amount	Amount Paid	Balance	Store Deposit	Current Bank Balance
						896.40
5	Deposit				259.55	1155.95
12	Deposit				211.80	1367.75
19	Deposit				307.95	1675.70
22	Office Supply Co.	380.00	380.00	–		1295.70
22	ABC School Supplies	789.26	789.26	–		506.44
22	Engineering Supply Co.	36.16	36.16	–		470.28
22	Smith Publishing Co.	76.38	76.38	–		393.90
26	Deposit				256.85	650.75
Month	October, 1984 Totals	1281.80	1281.80	–	1036.15	650.75

Form ST-10

Figure 10. Record of Disbursements

Record of Expenses

Since the major objective of a retail store is to be able to operate profitably by producing a gross margin in excess of expenses, close control must be maintained over store expenses. To increase the spread in gross margin and expenses, thus providing greater profit, management has three alternatives. It can increase sales while keeping expenses fixed, increase the markup on the merchandise sold, or decrease expenses in order to provide a greater profit margin. Many times the latter alternative is the easiest and most logical—if management can analyze expenses to determine what can be reduced. Figure 11, a *Record of Expenses,* will aid management in this analysis process.

The *Record of Expenses* provides a form on which different expense classifications may be recorded. The column headings can be changed, if necessary, to apply better to a particular store or situation. The form allows management to total expenses monthly and then maintain an accumulative total for the year. The particular design of the expense record is not the important consideration. Recognizing and recording all expenses is what is of prime importance in maintaining proper control of the school store.

RECORD OF EXPENSES

MONTH October 1984

Date	Explanation	Phone	Supplies	Postage	Repairs	Club	Cash Shortage	Advertising	Miscellaneous
1	Cash Register Maintenance				25 00				
8	Price Marker		12 75						
8	Register Detail Tape		5 40						
8	Telephone Bill	15 40							
19	Stamps			8 00					
26	School Paper Ad.							25 00	
31	Cash Drawer Shortage						80		
Total for Month		15 40	18 15	8 00	25 00		80	25 00	
Balance Forwarded		15 40	10 60				1 15	25 00	6 25
Total to Date		30 80	28 75	8 00	25 00		1 95	50 00	6 25

Form ST-11

Figure 11. Record of Expenses

Stock Control Form

An inexperienced store manager usually finds that among the greatest problems concerning merchandise is either having large quantities of items that never seem to sell, or the opposite—running out of a fast-selling item. The reason for this is that many stores operate without any form of stock control system. Regardless of how many of an item are on hand, management does not plan extra selling effort, or when an item sells well, management may wait until selling out before reordering. Both approaches cost the store sales and money. The ideal time to reorder on a fast selling item is early enough so that the order arrives before the item is completely sold out. When an item is not selling well there should be an equal concern and efforts should be focused on a promotion that will move the less desirable merchandise.

The *Stock Control Form,* Figure 12, serves to provide management with information concerning merchandise that will permit action in time to maintain an optimum stock level. Stock control is accomplished by a periodic count and review of merchandise lines by store management. This process will work best when the merchandise carried by the store is separated into groups or departments for the purpose of counting and control. Some suggested groupings could be: art supplies, home economics supplies, general school supplies, gift items, and clothing items. Other groupings could be developed to fit the particular store situation in which the teacher-sponsor was working.

The *Stock Control Form* illustrated will function only if store management wants to use it on a regular and orderly basis. Merchandise in each group must be entered individually on the form and physically counted at regular intervals, usually monthly. When the original count, both of display and understock, is made it is entered under the column "O.H."—"on-hand." Such entries are made for each item of merchandise listed on the stock control sheet. Management will examine the on-hand figures when the count is completed and decide if enough of each item is in stock to last until the next counting period. This is the point where past experience and management ability come into direct use. If management makes an error at this point it will show up later either in lost sales resulting from a shortage of stock or in increased markdowns because of an overstock situation. This function of deciding if a purchase of additional merchandise is necessary, and if so how much, is extremely important and requires the use of knowledge, experience, and an awareness of customer wants and needs.

If a purchase is made the amount ordered is entered under the "buy" column. The stock manager may then write orders by referring to each stock control book after it has been examined and adjusted by management. To notify management when each order arrives the bookkeeper can circle or mark through the ordered amount when the invoice and packing list are received. The amount received is then added to the last on-hand amount and entered in the "received plus on-hand" column so that the total amount of merchandise for sale is noted.

The sales column can be computed when the next monthly count is made. This is accomplished by subtracting the new "on-hand" count from last month's "received plus on-hand" column. The unit sales figure is important because it will show trends which can guide future buying decisions.

Each of the stock control books should be kept in the store files for future reference. They are especially helpful in determining an opening buy each fall before school opens because a manager has only to examine the sales column for each item to see how many items should be stocked for the first few months of school.

STOCK CONTROL FORM

Merchandise Group *General School Supplies* Count Period *First Day of Month*

Item	Vendor	Cost	Retail	O.H.	Buy	Received O.H.	Sales	O.H.	Buy	Received O.H.	Sales	O.H.	Buy	Received O.H.	Sales	O.H.	Buy	Received O.H.	Sales	O.H.	Buy	Received O.H.	Sales
Notebook Paper	ABC School Supplies	.07	.10	250	144	394	288	106	288														
Notebook Paper	"	.17	.25	190	72	262	168	94	288														
Typing Paper	"	.07	.10	200	72	272	226	46	288														
Typing Paper	"	.20	.30	150	72	222	108	104	72														
Erasable Bond	"	.62	.98	72	-	72	18	54	-														
Pencils	"	.025	.05	288	432	720	307	413	-														
B/C Pens	"	.14	.19	460	-	460	140	320	-														

Form ST-12

Figure 12. Stock Control Form

Price Change Form

Almost every retail store will experience at some time changes in the retail prices of some of its merchandise. These changes take the form of retail price markdowns, cancellations of markdowns, and additional markups or price advances.

In most school stores when a price change becomes necessary the task is accomplished simply be making a new sign or by placing new price tickets on the merchandise. This type of price change results in either a shortage or an overage when a book inventory is completed. This in turn results in a distorted picture of store profits and markup percentage. Therefore, it is most important that all retail price changes be carefully recorded and controlled.

The *Price Change Form,* illustrated by Figure 13, will provide the control needed for the price change operation. The form can be used for three price changes and shows the reason causing each price change. This information can be valuable for management analysis in an attempt to reduce markdowns.

An added feature which will aid in the control of price changes is the consecutive numbering of each page so that none will be lost or overlooked without the knowledge of management. Also required on the form is the store manager's signature to ensure the correctness and acceptability of the price change.

PRICE CHANGE FORM

Date Oct. 29 198 4 Number 00001

☐ Additional Markup ☐ Markdown Cancellation ☑ Markdown

Description of Merchandise	Reason for Chg.	Present Price		New Price		Unit Difference		Units	Total	
Men's jacket	7	39	95	27	95	12	00		144	00
								Total	144	00

Reason for Price Changes

1. Promotional Left-Over
2. Style or Pattern
3. Fabric
4. Color
5. Size
6. Discount
7. Special Sale
8. Discontinued Item
9. Price Adjustment
10. Purchased too Many

Manager's Signature Bill Adams

Form ST-13

Figure 13. Price Change Form

Purchase Order Form

In order to standardize and control the purchasing process, most retail businesses have adopted a purchase order form to use when placing orders with their suppliers. The use of a standardized purchase order form is good business practice. It helps ensure uniformity in operations. It reduces the chances for errors or confusion. An order form can include instructions to the shipper which will save costs and time. Finally, it is important to remember that an order is a contract. As such, it should give all the conditions of the contract.

The *Purchase Order Form* shown in Figures 14 and 15 was adapted for use in the school store. It provides an original copy of the order which is sent to the vendor and serves as a contract with him or her if it is accepted. The duplicate copy remains in the school store and should be placed in an open-order file. This copy will be used later to check-in and mark the incoming merchandise. It can also be used by management to determine what is already on order and for how long the order has been placed. For orders which are placed by telephone or in person the duplicate copy, Figure 15, should be used singly so that a record of the order is still maintained by the store for future reference.

The *Purchase Order Form* provides for specifying the following items when placing an order: stock number of the item ordered, quantity ordered, units in which the item ordered is requested (dozen, gross, etc.), a description of the item, unit cost, retail price if applicable, terms of payment for the order, date of the order, date merchandise is to be shipped, manner of shipment, and the conditions under which the order must be shipped. Such complete specifications help to prevent errors and misunderstandings.

ORDER DATE: 10/15/84

TERMS: Net 30

VENDOR NAME AND ADDRESS: ABC School Supplies, 123 West View, Chicago, Ill. 60607

SHIP TO: South High School, 801 Tipton St., Knoxville, TN 37920

IMPORTANT: Order Number must appear on all packages, invoice, and correspondence.

ORDER NUMBER: 00001

ORIGINAL

HOW SHIP: Truck

WHEN SHIP: AT ONCE (if not specified)

MERCHANDISE GROUP: General School Supplies

CANCEL DATE: 11/15/84

IMPORTANT: TERMS AND CONDITIONS OF ORDER — Any order given on this form will be refused if date of delivery is more than 30 days from date of order. Invoices covering all shipments must be received before or with all shipments of merchandise.

LOT NO. OR ITEM	QUANTITY	UNIT	DESCRIPTION	UNIT COST	UNIT RETAIL
6/13	2	Gross	.10 Notebook Paper	10 08	14 40

MANAGER'S SIGNATURE: Bill Adams

TOTAL COST: 103.70

Form ST-14

Figure 14. Purchase Order Form, Original

When the invoice, or in the absence of an invoice the packing list, arrives it should be attached to the duplicate copy of the purchase order. This will allow management to check the invoice and duplicate order, which also serves as a receiving record, for discrepancies or errors. At this time the manager, or teacher-sponsor checks the invoice for discounts available—and plans to pay the invoice in time to receive the discount. The person in charge of maintaining store records will also use the duplicate order and invoice to extend (increase) the merchandise cost to retail value. Both the retail and cost figures are entered in the *Record of Purchases* as previously explained. After all information has been entered in the proper forms the purchase order should be placed in a dead-order file for possible later reference.

ORDER DATE: 10/15/84

TERMS: Net 30

VENDOR NAME AND ADDRESS: ABC School Supplies, 123 West View, Chicago, Ill. 60607

SHIP TO: South High School, 801 Tipton St., Knoxville, TN 37920

IMPORTANT: Order Number must appear on all packages, invoice, and correspondence.

ORDER NUMBER: 00001

DUPLICATE

DATE RECEIVED: 12/10/84

HOW SHIP: Truck

WHEN SHIP: (AT ONCE if not specified)

MERCHANDISE GROUP: General School Supplies

CANCEL DATE: 11/15/84

CHECKED IN BY: Chad Brown

RECEIVED BY: Bill Adams

NUMBER OF CARTONS: 7

Carrier: XYZ Trucking; Express; Parcel Post; Charges $ —

DATE SHIPPED: 12/1/84

LOT NO. OR ITEM	QUANTITY	UNIT	DESCRIPTION	UNIT COST	UNIT RETAIL
6/13	2	Gross	.10 Notebook Paper	10 08	14 40
6/14	2	Gross	.25 Notebook Paper	24 48	36 00
8/30	2	Gross	.10 Typing Paper		

MANAGER'S SIGNATURE: Bill Adams

REMAINING BALANCE

TOTAL COST: 103.70

TOTAL RETAIL: 151.20

Form ST-15

Figure 15. Purchase Order Form, Duplicate

Inventory Form

Another essential function in the control of a retail store is the counting and recording of the merchandise on hand at a given time. The purpose of such a count is to value the inventory so that an *Income Statement* and *Balance Sheet* can be prepared and store profits determined.

The physical inventory serves other functions in addition to helping determine profits. It permits a thorough examination of stock and helps to familiarize both the sales staff and management with items which could have been forgotten or overlooked. This will lead to better customer service since the salespeople become more aware of the entire stock assortment. If the age of the stock is coded on the price ticket the inventory will also permit an analysis to be made of the rate of turnover for certain items of merchandise. This can be of benefit when planning future buying and promotional activities.

Because it has a direct bearing on store profits, an inventory in the school store should be planned and executed with the same thoroughness and procedures as would be used in a large retail store. In the school store two inventories would normally be the minimum number acceptable. The first inventory would be taken before the school year begins. It serves to verify the previous year closing inventory. If one is absolutely certain that no merchandise has been sold or removed since the last inventory at the end of the school the previous year, the previous year ending inventory could be used rather than taking a new count. The second inventory required in the school store would be taken at the end of the school year in the spring. This inventory must always be taken since there is no previous count which could take its place.

Two requirements are necessary for a meaningful inventory in the school store. The first consideration is that all merchandise, regardless of its location, be listed along with its correct retail price. Secondly, the count of merchandise must be verified for accuracy. This can be accomplished by assigning another student to spot-check the original counts in some random manner. Both goals can be accomplished by advance planning and the use of a standardized counting procedure.

Figure 16 illustrates an *Inventory Form* which can be used in the school store for a physical inventory. The form should be used in duplicate so that a carbon copy can be kept in the store files if one copy must be forwarded to a supervisor or administrator. To maintain control over the inventory forms each page should be consecutively numbered and contain the names of the people who count and check the count.

When the inventory is completed store management should take charge of all inventory forms and proceed to total each page and arrive at the total dollar value for the merchandise on hand. This total dollar amount will later be transferred to the *Income Statement* when determining store profits, after it has been converted to its cost value.

South High School SCHOOL STORE

INVENTORY FORM

Date Nov. 1 198 4 Counted by Chad Brown

Page Number 1 Checked by Amy Smith

Description of Merchandise	Units on Hand	Unit Price		Total Retail Value	
El Marko Markers	23		59	13	57
Erasable Bond Typing Paper	34		69	23	46
Typing Tablets	42		25	10	50
Stenographic Notebook	61		29	17	69
Montag's Onionskin	16		39	6	24
Notebook Paper .10	136		10	13	60
Notebook Paper .25	84		25	21	00
BIC Click Pens	95		49	46	55
Flair Pens	40		49	19	60
BIC Pens .19	214		19	40	66
BIC Pens .25	76		25	19	00
BIC Pens .49	60		49	29	40
Total Retail Value				261	27

Form ST-16

Figure 16. Inventory Form

Inventory Recap Sheet

With the inventory completed, management can work toward calculating the profit or loss for a specific period of operation. The *Inventory Recap Sheet,* Figure 17, is used to value the inventory at cost value rather than the retail value at which the count was taken. The inventory must be valued at cost so that the cost of merchandise sold can be determined.

To reduce the inventory value to cost it is first multiplied by the average markup percentage maintained throughout the period of operation. The markup percentage will be found on the current month's *Record of Purchases Form.* By multiplying using the markup percentage, the dollar markup on the merchandise is obtained. This dollar markup amount is then subtracted from the inventory amount, thus providing an inventory amount valued at cost prices. The cost valued inventory amount is then transferred to the *Income Statement.*

The other use for which the recap sheet is intended is to determine the merchandise shortage for the year. Since it is extremely doubtful that any retail store can go through a year of operation without suffering some amount of merchandise shortage, it is important that the dollar amount of such shortage be determined. Merchandise shortages are usually a result of a physical loss or clerical errors in the calculation of the book inventory. Several reasons for a physical loss of merchandise are theft, breakage, loss, mismeasurement, or miscounting.

The dollar amount of shortage is determined by subtracting the physical inventory amount at retail from the book inventory at retail. The book inventory is calculated by the following process: add to the opening inventory at retail the total purchases for the period which are also valued at retail, thus obtaining the total amount of merchandise for sale during the span of time. From this amount subtract the net sales for the period. The resulting figure is the book inventory valued at retail. However, this amount must be further reduced if the store has taken any markdowns or discounts during the year. If so, this reduction is made before comparing the book inventory to the physical inventory. The amount by which the physical inventory is smaller than the book inventory is the merchandise shortage.

After computing the shortage in dollars it should be converted to a percentage of sales for further analysis. For most retail stores similar in type to the school store a shrinkage or merchandise shortage of one to four percent of sales is not uncommon. An unusually high shortage could be an indication of an error in the physical inventory, or a large amount of theft. If the computation shows an overage rather than a shortage this is a good indication that either an error was made in computing the book inventory or some merchandise was counted twice during the physical inventory. Another possible reason for an overage is the fact that some managers take markdowns on the store records but do not actually reduce the prices on the merchandise. Such action is usually an unethical attempt to reduce the store's shrinkage figure.

South High SCHOOL STORE

INVENTORY RECAP SHEET

Date November 1 1984

REDUCTION OF INVENTORY TO COST

Physical Inventory at Retail	$	5,672.20
Markup Percent for Year	(×)	.34%
Dollar Markup for Year	$	1928.54
Physical Inventory at Retail	$	5672.20
Less: Dollar Markup for Year	(–)	1928.54
Physical Inventory at Cost	$	3743.66

CALCULATION OF MERCHANDISE SHORTAGE

Opening Inventory at Retail		2072.57
Add: Purchases at Retail	(+)	6189.93
Total Merchandise for Sale		8258.50
Less: Net Sales	(–)	2568.50
Book Inventory at Retail		5690.00
Less: Markdowns Taken	(–)	—
Adjusted Book Inventory at Retail		5690.00
Less: Physical Inventory at Retail		5672.20
Merchandise Shortage	$	17.80

Form ST-17

Figure 17. Inventory Recap Sheet

Income Statement

The primary objective of a retail business is to earn a reasonable profit. An *Income Statement* helps determine if a profit has been made—and if so, how much. But an *Income Statement* such as that in Figure 18 serves other purposes. It can help answer questions such as: Is the business operating successfully, or headed toward trouble? Can money be withdrawn from the business without impairing its operation? Is there some way to increase profits in the future? Would it be best to focus on increasing sales? Or on decreasing the cost of the merchandise sold? Or on reducing expenses? Or on some combination?

An *Income Statement* serves several other purposes for a regular retail business. State and local taxing authorities usually require certain information which the statement supplies. If the business owner applies for a loan for the business, the lending agency may ask to see income statements covering several years of operation. These provide the agency with such information as how much inventory is normally carried, and how sales compare with expenses.

Completion of the *Income Statement* is accomplished by using information that has already been collected by the use of forms and procedures already discussed. The first item, net sales, is obtained from the current month's *Record of Sales.* To determine the cost of merchandise sold, the first information needed is the year's opening inventory at cost. This amount should be maintained in the store files and is probably the same as the previous year's ending inventory. Purchases at cost is obtained from the *Record of Purchases,* but would be reduced by any returns to vendors.

Transportation charges are also accumulated on the purchases record. The final information needed is the present year's ending inventory, which is obtained by using both the *Inventory Form* and the *Inventory Recap Sheet.* By subtracting the ending inventory at cost from the amount of merchandise for sale the cost of merchandise sold is obtained. This amount is then subtracted from net sales to obtain gross profit on sales.

The remainder of the *Income Statement* is completed by subtracting whatever expenses the store had from the gross profit. The resulting amount is the net profit, and is the figure on which a judgment of the success of the business is based.

The net profit should also be converted into a percentage of sales for comparison with other school stores to help judge the success potential of the business in relation to what other similar businesses have achieved.

South High SCHOOL STORE

INCOME STATEMENT

For the School Year Ending May 31 1985

INCOME FROM SALES				%
Net Sales			$ 10650.20	100%
COST OF MERCHANDISE SOLD				
Opening Inventory (Cost)		$ 1367.89		
Purchase (Cost)	$ 6840.14			
Less: Returns to Vendors	—			
Net Purchases		6840.14		
Transportation Charges		64.30		
Total Merchandise for Sale		8272.33		
Less: Ending Inventory (Cost)		1243.20		
Cost of Merchandise Sold			7029.13	65%
GROSS PROFIT ON SALES			3621.07	34%
EXPENSES				
Payroll		—		
Telephone		138.60		
Postage		25.00		
Store Supplies		216.10		
Cash Shortage		12.80		
Club Expense		50.00		
Advertising		225.00		
Repairs and Maintenance		184.65		
Miscellaneous		42.10		
Total Expense			894.25	8%
NET PROFIT BEFORE WITHDRAWALS			2726.82	25%
WITHDRAWALS				
City M&DE Department	25 %	681.70		
South High School	50 %	1363.41		
South High DECA	25 %	681.77		
Total Withdrawals			2726.82	
PROFIT LEFT IN BUSINESS			-0-	

Form ST-18

Figure 18. Income Statement

Balance Sheet

Another financial statement usually prepared with the *Income Statement* is the *Balance Sheet,* Figure 19. The purpose of the *Balance Sheet* is to provide a comparison between the assets of a business and its liabilities. A third heading, ownership equity, is also considered on the *Balance Sheet.* The element of ownership equity or proprietorship is the equity which the store owner maintains in the business and is the difference between assets and liabilities.

The *Balance Sheet* for a school store is probably more simple in nature than that of a larger retail business. The assets of the school store will probably include only the cash on hand, the ending merchandise inventory, and possibly the supplies and equipment on hand. Liabilities may include accounts payable and accrued expenses. However, liabilities in many stores could be zero. Since the proprietorship is the difference between assets and liabilities, then the equity would be equal to the assets if the school store had no liabilities.

The *Balance Sheet* is a valuable source of information and serves to supplement the *Income Statement.* While the *Income Statement* shows what happens over a period of time in the business, the picture presented by the *Balance Sheet* is one at a point in time and is valid only for that point in time. It also shows accurately the financial standing of a business and is required, along with the *Income Statement,* by a lending agency when an application for a loan for the business is made. It is used because it shows all of the liabilities facing the business as well as its assets.

South High SCHOOL STORE

BALANCE SHEET

May 31 1985

ASSETS

Cash	$ -0-	
Merchandise Inventory	1243.20	
Supplies	34.50	
TOTAL ASSETS		$ 1277.70

LIABILITIES

Accounts Payable	$ 563.20	
Accrued Expense	-0-	
TOTAL LIABILITIES		$ 563.20

PROPRIETORSHIP

M&D.E. Store Capital	$ 714.50	
TOTAL LIABILITIES AND PROPRIETORSHIP		$ 1277.70

Form ST-19

Figure 19. Balance Sheet

Blank Forms

These forms are provided for copying or for adaptation.

TIME SHEET

Date _____ Approved by _____

KEY NO.	NAME	TIME IN	TIME OUT	HOURS WORKED	SALES	SALES PER HOUR
0						
1						
2						
3						
4						
5						
6						
7						
8						

Form ST-1

VOID SLIP

Name _____

Date _____ 198____

Amount to be voided $_____

Re-enter correct amount $_____

Reason for void _____

_____

Approved by _____

(Place in cash register drawer)

Form ST-2

VOID SLIP

Name _____

Date _____ 198____

Amount to be voided $_____

Re-enter correct amount $_____

Reason for void _____

_____

Approved by _____

(Place in cash register drawer)

Form ST-2

VOID SLIP

Name _____

Date _____ 198____

Amount to be voided $_____

Re-enter correct amount $_____

Reason for void _____

_____

Approved by _____

(Place in cash register drawer)

Form ST-2

VOID SLIP

Name _____

Date _____ 198____

Amount to be voided $_____

Re-enter correct amount $_____

Reason for void _____

_____

Approved by _____

(Place in cash register drawer)

Form ST-2

WANT SLIP

Name _____ Date _____ 198____

Today I had calls for the following items which are not in stock:

Item	Color	Size	Price	No. of Calls

Items low in stock:

Suggestions or comments _____

_____

Form ST-3

WANT SLIP

Name _____ Date _____ 198____

Today I had calls for the following items which are not in stock:

Item	Color	Size	Price	No. of Calls

Items low in stock:

Suggestions or comments _____

_____

Form ST-3

CASH PAID-OUT TICKET

Sales Clerk _____ Date _____ 198____

☐ Refund ☐ Cash Purchase

☐ Other (Specify)

Units	Merchandise	Unit Price	Total	
		Total Paid Out		

Customer's Signature _____

Approved By _____

Form ST-4

CASH PAID-OUT TICKET

Sales Clerk _____ Date _____ 198____

☐ Refund ☐ Cash Purchase

☐ Other (Specify)

Units	Merchandise	Unit Price	Total	
		Total Paid Out		

Customer's Signature _____

Approved By _____

Form ST-4

CREDIT SALE TICKET

Purchased by _____

Sold by _____ Date _____ 198 ____

Quantity	Merchandise	Unit Price	Total	
		Total Purchase		
		Paid Down		
		Balance Due		

Customer's Signature _____

Form ST-5

58

CREDIT SALE TICKET

Purchased by _____

Sold by _____ Date _____ 198 ____

Quantity	Merchandise	Unit Price	Total	
		Total Purchase		
		Paid Down		
		Balance Due		

Customer's Signature _____

Form ST-5

59

_____ SCHOOL STORE

LAYAWAY TICKET

Sold To _____

Homeroom _____

Room Number _____

Sold By _____

Date _____ 198____

Quantity	Article	Unit Price	Total	
		Total Purchase		
		Paid Down		
		Balance Due		

TERMS: After the first 10 days no refund will be given on down payments or on any amounts paid. If no payments are made on the purchase after 3 weeks of sale date the item will be placed back out for resale and all payments will be forfeited.

I agree to pay $_____ per week beginning on _____ 198____ until the full balance is paid.

Customer's Signature _____

Form ST-6

REGISTER CHECK-OUT FORM

Name _____ Date _____ 198____

Currency	$	
Check		
Halfs		
Quarters		
Dimes		
Nickels		
Pennies		
Total	$	
Less: Change Fund		
Total		
Add: Cash Paid Out		
Net Sales	$	

(For Bookkeeper's Use Only)

Register Reading	$	
Less: Refunds		
Total		
Less: Voids		
Correct Register Reading	$	
Net Sales	$	
Shortage	$	
Overage	$	

Difference checked by _____

Form ST-7

RECORD OF SALES

______________________ 198______
MONTH

Date	+	—	This Year Daily	Accumulative	Last Year Daily	Accumulative
Month's Total						
Balance Brought Forward						
Total for Year						

Form ST-8

RECORD OF PURCHASES

MONTH_____198_____

Date	Vendor	Trans. Charges	Cash Discount Taken	Cost	Retail	M. U.%	Total to Date			
							Cost		Retail	
Total for Month										
Balance Forwarded										
Total to Date										

Form ST-9

RECORD OF DISBURSEMENTS

Date	Paid To	Invoice Amount	Amount Paid	Balance	Store Deposit	Current Bank Balance
Month	Totals					

Form ST-10

RECORD OF EXPENSES

MONTH _____ 198____

Date	Explanation	Phone	Supplies	Postage	Repairs	Club	Cash Shortage	Advertising	Miscellaneous
	Total for Month								
	Balance Forwarded								
	Total to Date								

Form ST-11

STOCK CONTROL FORM

Merchandise Group _____ Count Period _____

Item	Vendor	Cost		Retail		O.H.	Buy	Received O.H.	Sales	O.H.	Buy	Received O.H.	Sales	O.H.	Buy	Received O.H.	Sales	O.H.	Buy	Received O.H.	Sales	O.H.	Buy	Received O.H.	Sales

Form ST-12

PRICE CHANGE FORM

Date _____ 198___ Number _____

☐ Additional Markup ☐ Markdown Cancellation ☐ Markdown

Description of Merchandise	Reason for Chg.	Present Price	New Price	Unit Difference	Units	Total
					Total	

Reason for Price Changes

1. Promotional Left-Over
2. Style or Pattern
3. Fabric
4. Color
5. Size
6. Discount
7. Special Sale
8. Discontinued Item
9. Price Adjustment
10. Purchased too Many

Manager's Signature _____

Form ST-13

PRICE CHANGE FORM

Date _____ 198___ Number _____

☐ Additional Markup ☐ Markdown Cancellation ☐ Markdown

Description of Merchandise	Reason for Chg.	Present Price	New Price	Unit Difference	Units	Total
					Total	

Reason for Price Changes

1. Promotional Left-Over
2. Style or Pattern
3. Fabric
4. Color
5. Size
6. Discount
7. Special Sale
8. Discontinued Item
9. Price Adjustment
10. Purchased too Many

Manager's Signature _____

Form ST-13

ORDER DATE		SHIP TO:	IMPORTANT Order Number must appear on all packages, invoice, and correspondence.	ORIGINAL
TERMS	VENDOR NAME AND ADDRESS		ORDER NUMBER 00001	
	HOW SHIP:	WHEN SHIP: AT ONCE if not specified	MERCHANDISE GROUP	CANCEL DATE

IMPORTANT: TERMS AND CONDITIONS OF ORDER — Any order given on this form will be refused if date of delivery is more than 30 days from date of order. Invoices covering all shipments must be received before or with all shipments of merchandise.

LOT NO. OR ITEM	QUANTITY	UNIT	DESCRIPTION	UNIT COST	UNIT RETAIL

MANAGER'S SIGNATURE — TOTAL COST

Form ST-14

ORDER DATE		SHIP TO:	IMPORTANT Order Number must appear on all packages, invoice, and correspondence.	DUPLICATE
TERMS	VENDOR NAME AND ADDRESS		ORDER NUMBER 00001	

DATE RECEIVED	HOW SHIP:	WHEN SHIP:	AT ONCE if not specified	MERCHANDISE GROUP	CANCEL DATE
CHECKED IN BY:	RECEIVED BY:	NUMBER OF CARTONS	Carrier _____ Express Parcel Post Charges $ _____		DATE SHIPPED

LOT NO. OR ITEM	QUANTITY	UNIT	DESCRIPTION	UNIT COST	UNIT RETAIL

MANAGER'S SIGNATURE	REMAINING BALANCE	TOTAL COST	TOTAL RETAIL	

Form ST-15

_____ SCHOOL STORE

INVENTORY FORM

Date _____ 198____ Counted by _____

Page Number _____ Checked by _____

Description of Merchandise	Units on Hand	Unit Price		Total Retail Value	
Total Retail Value					

Form ST-16

_____SCHOOL STORE

INVENTORY RECAP SHEET

Date_____198_____

REDUCTION OF INVENTORY TO COST

Physical Inventory at Retail	$_____
Markup Percent for Year	(×) _____%
Dollar Markup for Year	$_____

Physical Inventory at Retail	$_____
Less: Dollar Markup for Year	(–)_____
Physical Inventory at Cost	$_____

CALCULATION OF MERCHANDISE SHORTAGE

Opening Inventory at Retail	$_____
Add: Purchases at Retail	(+) _____
Total Merchandise for Sale	_____
Less: Net Sales	(–)_____
Book Inventory at Retail	_____
Less: Markdowns Taken	(–)_____
Adjusted Book Inventory at Retail	_____
Less: Physical Inventory at Retail	_____
Merchandise Shortage	$_____

Form ST-17

_____SCHOOL STORE

INCOME STATEMENT

For the School Year Ending_____198_____

INCOME FROM SALES				%
Net Sales			$ _____	_____
COST OF MERCHANDISE SOLD				
Opening Inventory (Cost)		$ _____		
Purchase (Cost)	$ _____			
Less: Returns to Vendors	_____			
Net Purchases		_____		
Transportation Charges		_____		
Total Merchandise for Sale		_____		
Less: Ending Inventory (Cost)		_____		
Cost of Merchandise Sold			_____	_____
GROSS PROFIT ON SALES			_____	_____
EXPENSES				
Payroll		_____		
Telephone		_____		
Postage		_____		
Store Supplies		_____		
Cash Shortage		_____		
Club Expense		_____		
Advertising		_____		
Repairs and Maintenance		_____		
Miscellaneous		_____		
Total Expense			_____	_____
NET PROFIT BEFORE WITHDRAWALS			_____	_____
WITHDRAWALS				
City_____Department	_____%	_____		
_____High School	_____%	_____		
_____High_____	_____%	_____		
Total Withdrawals			_____	
PROFIT LEFT IN BUSINESS			_____	

Form ST-18

_____SCHOOL STORE

BALANCE SHEET

_____198_____

ASSETS

Cash	$ _____	
Merchandise Inventory	_____	
Supplies	_____	
TOTAL ASSETS		$ _____

LIABILITIES

Accounts Payable	$ _____	
Accrued Expense	_____	
TOTAL LIABILITIES		$ _____

PROPRIETORSHIP

_____ Store Capital	$ _____	
TOTAL LIABILITIES AND		$ _____
PROPRIETORSHIP		$ _____

Form ST-19